

Promoting cleantech innovation for climate action in Senegal

Basic Information

GEF ID

10715

Countries

Senegal

Project Title

Promoting cleantech innovation for climate action in Senegal

GEF Agency(ies)

UNIDO

Agency ID

UNIDO: 200257

GEF Focal Area(s)

Climate Change

Program Manager

Filippo Berardi

PIF

Part I – Project Informatic

Focal area elements

1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?

Secretariat Comment at PIF/Work Program Inclusion

This item is cleared.

10/05/ 2020: yes this project is well aligned with CCM1-4: "Promote innovation and technology transfer for sustainable energy breakthroughs - Cleantech innovation".

Agency Response

Indicative project/program description summary

2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?

Secretariat Comment at PIF/Work Program Inclusion

10/23/20: PPO comment cleared.

10/22/20: additional comments from PPO:

The description /name of Component 2 is confusing. Activities related to project coordination should be charged to the DMO. If the

The description/name of Component 3 is confusing. Activities related to project coordination should be charged to the PMC. If the reference to "coordination" in the title of component 3 is related to the coordination with Global GCIP, please eliminate reference to project coordination as it seems to refer to project management elements.

3. Knowledge management and project coordination	Technical Assistance	3.1 Project outcomes enhanced through use of guidelines, knowledge management, and communication and advocacy	3.1.1 GCIP internal operational guidelines adapted and implemented for programmatic coherence 3.1.2 Knowledge management, communication and advocacy strategies of GCIP adapted and applied 3.1.3 National web platform operated as part of the GCIP global web platform to connect national ecosystem players and coordinate with global GCIP community	GET	230,493.00	600,000.00
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10/05/ 2020: This item is cleared.

10/05/ 2020: Yes, the project's components and activities as described in the PIF are adequate and sufficiently cleared to achieve the project's stated objectives. It is important to note that the project, although developed as stand alone PIF, it is conceived in the context of, and it is well aligned and coordinated with, the GEF-7 flagship program for CCM 1-4, "Global Cleantech Innovation Programme (GCIP) to accelerate the uptake and investments in innovative cleantech solutions"). As such, the project follows closely the GCIP's theory of change, structure, formulation of objectives, outputs and outcomes.

The PIF describes the coordination arrangements that will establish operational linkages between the national project activities in Senegal and the GCIP global program infrastructure.

Agency Response

23 Oct 2020

Component 3 has been renamed as “Knowledge management and coordination with GCIP at the programmatic level” and changes are made throughout the document accordingly.

Co-financing

3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?

Secretariat Comment at PIF/Work Program Inclusion

10/23/20: PPO comment cleared.

10/22/20: additional comments from PPO:

in the paragraph “Describe how any investment mobilized was identified” below Table C, the Agency needs to describe how it has identified these potential sources of investment mobilized at PIF stage (instead of how this is going to be worked out during PPG phase, which is what currently is in the paragraph – see screenshot below).

Describe how any "Investment Mobilized" was identified

Recipient government: Through close consultations with the recipient government, in-kind and investment mobilized contributions were discussed. As the envisaged lead executing agency, the Ministry of Environment and Sustainable Development will provide in-kind contributions, while the National Climate Fund (Fonds National Climat) is expected to provide loans as to support the uptake of cleantech enterprises in the country. Confirmed structures of co-finance will be determined during the PPG phase where the private sector and other funds will be engaged in great detail. Private sector: Due to COVID-19 related restrictions, in-depth stakeholder consultations with the private sector were limited and therefore definite source of co-financing could not be identified. There are many potential private sector stakeholders in Senegal with the appetite to invest in early-stage cleantech innovations. During the PPG phase, the project will engage the private sector to mobilize co-financing in form of investor introductions, engagement of large corporations, bank loans etc. UNIDO has a strong relationship with the private sector in Senegal and has experience in mobilizing co-financing from the private sector for GEF projects. Therefore, the co-financing ratio of 1:7 is expected to be achieved through robust stakeholder consultations during the PPG phase. The current amount of 3 mil USD is indicative, and may take the form of equity, grant or loans, depending on type of financier and financial vehicle identified during the PPG phase. The amount been estimated based on a brief consultation with the government counterparts and UNIDO's prior experience in mobilizing co-financing for projects with similar objectives and market conditions. 3 mil USD roughly calculated based on the conservative assumption that at least 15 enterprises will receive private sector investment of 200,000 USD.

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14/05/ 2020: This item is cleared.

10/05/ 2020:

1. General Comment: the reported level of co-financing at PIF stage falls somewhat short of the GEF-7 aspirational levels of 1:7. The agency is encouraged to continue to engage with potential national and international partners and providers of co-financing with the view of aligning the project's co-financing levels with the aspirational targets of GEF-7.
2. As a specific comment: in the note below table C, the PIF fails to explain how the amount of co-financing expected from the private sector (TBD - Loans - Investment mobilized: USD 2,850,000) has been estimated. Barriers posed by COVID-19 restrictions are noted, but there is no indication of how the specific amount was estimated. Please provide additional details, to be confirmed at CEO ER stage.

Agency Response

23 Oct 2020

Description on the relevant section has been updated as below:

Recipient government: Through close consultations with the recipient government, in-kind and investment mobilized contributions were discussed. As the envisaged lead executing agency, the Ministry of Environment and Sustainable Development will provide in-kind contributions. In addition, in extensive consultation with the GEF Focal Point held online, the National Climate Fund (Fonds National Climat) was identified as a key stakeholder that is expected to provide loans to support the uptake of cleantech enterprises in the country. Confirmed structures of co-finance will be determined during the PPG phase, where other funds will also be engaged.

Private sector: Due to COVID-19 related restrictions, in-depth stakeholder consultations with the private sector were limited. UNIDO organized online meeting with potential funders from the private sector and potential sources for co-financing, who showed interest to provide co-financing but cannot commit until a formal document is provided. There are many potential private sector stakeholders in Senegal with the appetite to invest in early-stage cleantech innovations. UNIDO has a strong relationship with the private sector in Senegal and has experience in mobilizing co-financing from the private sector for GEF projects. The current amount of 3 mil USD is indicative, estimated based on initial consultation with the government counterparts and UNIDO's prior experience in mobilizing co-financing for projects with similar objectives and market conditions. 3 mil USD roughly calculated based on the conservative assumption that at least 15 enterprises will receive private sector investment of 200,000 USD. Co-financing ratio of 1:7 is expected to be achieved through robust stakeholder consultations during the PPG phase.

5 Oct 2020

1. This guidance is noted. A key task during PPG phase will be to engage with stakeholders and raise their awareness of the projects' objectives and potential business and investment opportunities. These stakeholder consultations are expected to lead to identification of co-financing partners (both private and public sectors) with interest and/or mandate to invest in or adopt cleantech solutions. At CEO endorsement request stage, it is expected that the project will be able to mobilize co-financing to meet the 1:7 ratio.
2. Reflecting this comment, the amount of co-financing from the private sector is adjusted to 3 mil USD, and the description for private sector investment mobilized is revised as below:

Due to COVID-19 related restrictions, in-depth stakeholder consultations with the private sector were limited. UNIDO organized online meeting with potential funders from the private sector and potential sources for co-financing, who showed interest to provide co-financing but cannot commit until a formal document is provided. There are many potential private sector stakeholders in Senegal with the appetite to invest in early-stage cleantech innovations. UNIDO has a strong relationship with the private sector in Senegal and has experience in mobilizing co-financing from the private sector for GEF projects. The current amount of 3 mil USD is indicative, estimated based on initial consultation with the government counterparts and UNIDO's prior experience in mobilizing co-financing for projects with similar objectives and market conditions. 3 mil USD roughly calculated based on the conservative assumption that at least 15 enterprises will receive private sector investment of 200,000 USD. Co-financing ratio of 1:7 is expected to be achieved through robust stakeholder consultations during the PPG phase.

Private sector: Due to COVID-19 related restrictions, in-depth stakeholder consultations with the private sector were limited and therefore definite source of co-financing could not be identified. There are many potential private sector stakeholders in Senegal with the appetite to invest in early-stage cleantech innovations. During the PPG phase, the project will engage the private sector to mobilize co-financing in form of investor introductions, engagement of large corporations, bank loans etc. UNIDO has a strong relationship with the private sector in Senegal and has experience in mobilizing co-financing from the private sector for GEF projects. Therefore, the co-financing ratio of 1:7 is expected to be achieved through robust stakeholder consultations during the PPG phase. The current amount of 3 mil USD is indicative, and may take the form of equity, grant or loans, depending on type of financier and financial vehicle identified during the PPG phase. The amount has been estimated based on a brief consultation with the government counterparts and UNIDO's prior experience in mobilizing co-financing for projects with similar objectives and market conditions. 3 mil USD roughly calculated based on the conservative assumption that at least 15 enterprises will receive private sector investment of 200,000 USD.

GEF Resource Availability

4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

Secretariat Comment at PIF/Work Program Inclusion

10/05/ 2020: This item is cleared.

yes, the figures indicated in Table D are in line with applicable GEF policy on agency fees for project grant and PPGs.

Agency Response

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

10/05/ 2020: This item is cleared.

Yes, the project proposes the use of an available amount of STAR funds.

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

10/05/ 2020: This item is cleared.

While the focal area allocation for CCM is USD 1,500,000, there is still available marginal adjustment for Senegal. This project proposes to use a marginal adjustment amount of USD 1,140,000, out of the total available of 2 million.

Agency Response

The LDCF under the principle of equitable access

Secretariat Comment at PIF/Work Program Inclusion N/A

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion N/A

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion N/A

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion N/A

Agency Response

Project Preparation Grant

5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)

Secretariat Comment at PIF/Work Program Inclusion

10/05/ 2020: This item is cleared.

The requested PPG amount is within the allowable cap.

Agency Response

Core indicators

6. Are the identified core indicators in Table F calculated using the methodology included in the correspondent Guidelines? (GEF/C.54/11/Rev.01)

Secretariat Comment at PIF/Work Program Inclusion

10/14/2020:

This item is cleared.

10/05/ 2020:

Yes, core indicators are calculated in line with applicable policies, and targets are estimated with a proposed methodology that is acceptable.

1. Please check the reference to the outputs presented in the note below table F. Output 1.1.2 is not related to the number of enterprises trained, and output 1.1.3 is not related to the number of cleantech expert trained and certified. Please revise accordingly.

Agency Response

1. This error is corrected. The explanation for indicator 11 now reads:

Indicator 11: 1175 beneficiaries (at least 35% women*) consisting of:

- 125 enterprises accelerated under output 1.1.3 (25 enterprises per accelerator cycle, 5 cycles)

- 50 cleantech experts trained and certified under output 1.1.2
- based on prior project experience and the scope of stakeholder engagement activities, estimated no. of stakeholders sensitized are approximately 1000

*Gender mainstreaming target of at least 35% women beneficiaries is set, based on experience in other similar projects. This may be revised at RCE stage based on gender analysis conducted during PPG.

Project/Program taxonomy

7. Is the project/ program properly tagged with the appropriate keywords as requested in Table G?

Secretariat Comment at PIF/Work Program Inclusion

10/05/ 2020: This item is cleared.

Yes, appropriate keywords are selected as tags for the project taxonomy.

Agency Response

art II – Project Justification

1. Has the project/program described the global environmental / adaptation problems, including the root causes and barriers that need to be addressed?

Secretariat Comment at PIF/Work Program Inclusion

10/05/ 2020: This item is cleared.

The PIF sufficiently highlights the country context as it relates to key climate mitigation challenges and overarching environmental problems. The expected growth of the Senegalese carbon emissions, are mostly linked to the projected significant increase in (i) energy use and (ii) agricultural expansion rates. The PIF also outlines the key barriers to cleantech innovation, both at SMEs level and at entrepreneurial ecosystem level.

Agency Response

2. Is the baseline scenario or any associated baseline projects appropriately described?

Secretariat Comment at PIF/Work Program Inclusion

10/05/ 2020: This item is cleared.

Yes, the baseline scenario is adequately described. This includes mention of the current state of "doing business" challenges in Senegal; the landscape and ambition of its key environmental policies, including the NDCs, and key R&D/innovation policies, including the Startup Act of 2019. The baseline section also includes mention of other projects that can be considered already within the national baseline, and mention of key institutions active in this space (i.e. IED and KIC).

Agency Response

3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?

Secretariat Comment at PIF/Work Program Inclusion

10/14/2020: this item is cleared.

10/05/ 2020:

1. The description of the proposed alternative scenario is well articulated. The project's Theory of Change is also presented and well aligned with the (informal) parent program, the global GCIP. The GEF reviewer welcomes the proposed focus of the project on two key sectors - energy and agriculture - in consideration of their central importance for the country's projected economic growth, their significant potential to generate negative environmental impacts if left unchecked, and the alignment with the GEF CCM focal area priorities in terms of mitigation and innovation.

2. Output 1.2.3: Innovative early-stage financing mechanism: we noted the mention of ECOWAS as having "huge potential" for Senegalese innovative SMEs' business expansion. We believe this will be a critical point that deserves more attention and expansion in the PIF. Please elaborate more on the potential for Senegalese SMEs to tap into ECOWAS space market demand, including through any example that can be used to illustrate the typical path of a successful SME from national to regional markets.
3. Output 1.2.4: The design of the financing mechanism must involve the active participation by, and leadership of, financial institutions. MDBs such as AfDB and BOAD, but also national development financial institutions and private sector financial institutions, have a key role to play. The PIF fails to explain how FIs and IFIs will be involved on this, please clarify. More work on this will be needed during PPG stage.
4. Output 2.1.2.: Recommendations must be translated into adopted policies if they are to have any impact on generating long lasting GEBs. This section is of central importance for the theory of change, and sustainability, of the project. Please clarify what the project will be doing to go beyond recommendations, and facilitate the necessary additional steps that will translate the technical recommendations into actual policy and regulatory framework. How can risk of policy non-adoption (e.g. recommendations remain unattended by policy makers) be mitigated by the project. Through which activities specifically? Please elaborate.
5. Output 3.1.1: please clarify in the document the relations between output 1.1.1. and 3.1.1.

Agency Response

2. In consideration of this guidance, para 53 is revised as below:

53. Many cleantech innovations have potential for replication in other developing countries. In particular, cleantech SMEs in Senegal will have huge potential to expand their businesses and introduce their products in the ECOWAS region, as ECOWAS member states share similar environmental challenges, market conditions and industry structures especially in the energy and agricultural sectors. This is highlighted by the fact that ECOWAS region employs a consolidated approach in addressing energy challenges through the ECOWAS Renewable Energy Policy (EREP) and the ECOWAS Energy Efficiency Policy (EEEP), which provides strong policy signals to the region's energy markets and cleantech solutions therein. Therefore, under this output, the project will provide dedicated support to Senegal's cleantech enterprises to explore expansion opportunities in other ECOWAS countries. In addition, Senegal is considered a regional economic hub, and there is migration and market connectivity between Senegal and other Francophone countries like Mali, Mauritania, Guinea, as well as the Gambia. Oolu Solar (<https://oolusolar.com>) is an example of a successful cleantech company headquartered in Senegal that demonstrates regional replication potential of cleantech solutions in the ECOWAS region. Oolu provides off-grid solar solutions and scaled-up pay-as-you-go technology in the West African market. To date, the company raised 3.2 mil USD in series A funding and are currently closing their series B, and now operates in Mali, Burkina Faso, Niger and Nigeria. In addition to regional expansion opportunities, SMEs in Senegal will also be introduced to international mentors through the GCIP network of mentors on a needs-basis, in their respective target country of expansion to facilitate building of connections and networks for expansion into a new market. Through the web platform, enterprises will be given peer networking opportunities with GCIP enterprises, as well as cleantech enterprises within UNIDO's partner network. Through peer networking, the enterprises will explore opportunities for technology collaboration, product co- development, joint venture for market expansion, etc. in a business-to-business to context.

3. In consideration of this comment, para 54 is revised as below:

54. Early-stage investment funds and impact investment funds are required to support early-stage cleantech SMEs during and post acceleration. Under this output, the critical funding gaps within the early-stage cleantech SME journey will be identified, based on which a sustainable funding mechanism will be designed and resource mobilization will be conducted for its establishment and operation. The design of the financial mechanism foresees the active involvement and participation of domestic financial institutions as well as possible interaction with multilateral/regional development banks. There are several projects in Senegal financed by the African Development Bank, such as the South Agro-Industrial Processing Zone Project (PZTA-SUD), and Agropole Sud. National financial institutions including as micro-finance institutions will be consulted and involved in the design of the financing mechanisms as to include on the ground knowledge and networks. Such microfinance institutions may include FDEA, Fides Microfinance Senegal, Baobab Senegal, COFINA Senegal, Microcred Mbour and Groupe Cofina. Within stakeholder consultations, during the PPG phase, more information will be gathered, and suitable financial institutions will be identified. Depending on local needs identified, GEF funding will be leveraged for co-financing and investments.

4. Reflecting this comment, para 62 is revised as below:

62. The project will assist in reviewing the existing policies and regulations relating to the promotion of clean technologies, innovation and

...the project will assess and reform the existing policies and regulations relating to the promotion of clean technologies, innovation and entrepreneurship, and prepare a gap analysis report that also provides policy requirements and recommendations. This analysis and recommendations will form the basis of policy dialogues and consultations, which will discuss operationalization of the recommendations,

and also strategies on how the government can adopt selected recommendations into enforceable action plans that are fully aligned and integrated with Senegal's climate change, energy and agriculture policies and strategies such as the Plan Emergent, the renewable energy plan and the major agricultural strategies such as the PRACAS. Stakeholder mapping will be conducted to ensure that all key ministries, financial institutions and civil society organizations are engaged in such discussions so that the recommendations have a higher chance of influencing and being adopted into policy frameworks and action plans.

5. Please see additional explanation provided under para 66, in consideration of this comment:

*Please note that the scope of output 1.1.1 is of a technical nature, that focuses on the best approach and methodology for supporting early-stage cleantech enterprises in developing countries. The tools and guidelines provided for review and adaption to Senegal will be specific to knowledge expertise and skills concerning the execution of the national cleantech business accelerator (output 1.1.3), and to the execution of post-acceleration support (outcome 1.2). Output 3.1.1 is broader in scope, with emphasis on maximizing efficiency and synergies among projects benefiting from the GCIP's programmatic approach, and will contribute to coordination and coherence among GCIP projects. Tools and guidelines provided under 3.1.1 aim to support the PEEs with project execution and operationalization overall, and will also be a channel for PEEs of GCIP projects in different countries to share best practices and lessons learned.

4. Is the project/program aligned with focal area and/or Impact Program strategies?

Secretariat Comment at PIF/Work Program Inclusion

10/05/ 2020: This item is cleared.

Yes, the project is well aligned with the CCM focal area strategies (CCM 1-4).

Agency Response

5. Is the incremental / additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?

Secretariat Comment at PIF/Work Program Inclusion

10/14/ 2020: This item is cleared.

10/05/ 2020:

Yes, the additionality of the intervention is properly described.

1. We recommend adding reference of the potential for further expansion beyond national level for national SMEs , specifically within ECOWAS, in paragraph 85.

Agency Response

1. Para 85 is revised as below, in consideration of this comment:

85. Furthermore, through the link to the UNIDO/GEF programme 10408, Senegal's cleantech ecosystem will benefit from cross-border connectivity and synergies with ecosystems of other GCIP partner countries, leading to bigger market opportunities for Senegalese cleantech SMEs to expand their businesses and hence increase their success rates and results in greater GHG emission mitigation efforts. Market expansion potential for cleantech solutions from Senegal to the ECOWAS region is high, as the ECOWAS member states share similar environmental challenges, market conditions and industry structures especially in the energy and agricultural sectors. Therefore, the project will provide dedicated support to the cleantech enterprises under outputs 1.2.2. and 1.2.3 in exploring expansion opportunities in other ECOWAS countries. In addition, the project is expected to lead to a long-term shift in cleantech innovation and entrepreneurship in Senegal which will create green jobs while contributing to GHG emission reductions and global environmental sustainability. Specifically, the project will build capacity of key ecosystem players and connect them so that they can, in the long run, continue to systematically support the development and commercialization of cleantech innovations. Approximately 125 cleantech SMEs will be supported for business acceleration, and 30 received investment facilitation services so that they reach financial closure and market expansion beyond Senegal; none of which would be achieved without the project.

6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?

Secretariat Comment at PIF/Work Program Inclusion

10/14/ 2020: This item is cleared.

10/05/ 2020:

The indicative contributions to the GEB's indicators seems reasonably calculated. However, please note:

1. Para 92: Please clarify how the range of GHG emission reductions per enterprise of 1,800-3,600 tCO₂e by 2030 was achieved. What are the main assumptions, beyond the USD 5-10 cost per ton abated and the number of enterprises supported (125)?
2. Para 94: This section should also mention that the indirect emission reductions to be generated are not only due to the strengthened capacity of the relevant institutions, but also from the improvements to the policy and regulatory framework that are expected from output 2.1.2.
3. Para 95 - Table: please add a note that makes it explicit that for conservativeness, the lower range has been used as input to the GEF corporate core GHG indicator's target (indicator 6).

Agency Response

1. Para 92 has been revised as follows to provide further justification and background for the calculation:

92. As this project benefits from the programmatic approach of its informal parent programme, (UNIDO/GEF programme 10408), the project's GEB estimate also employs the GCIP calculation methodology, where the target of between 5 to 10 USD/tCO₂e avoided emissions is set in consideration of the cost-effectiveness of GEF funding in generating GEBs. To equate this to a minimum projected potential target for avoided GHG emissions per cleantech solution, the 5-10 USD/tCO₂e was applied to the USD 18 million of GEF funding for the whole GCIP framework programme. This would mean delivering between 1.8 million and 3.6 million tCO₂e by 2030. As almost 1000 cleantech solutions across ten countries are expected to be supported through the global programme, this equates to a target for the minimum projected potential of avoided GHG emissions per cleantech solution would be between 1,800 to 3,600 tCO₂e by 2030. The provided target range for reduction potential will allow the project to support a mix of technologies with different CO₂ emission reduction potentials as long as this minimum average across the programme is achieved. This will allow innovations into the accelerators with lower CO₂ reduction potential, but which explore new market applications, as well as innovations creating multiple benefits (including social indicators such as job creation, innovations contributing to gender dimensions).

2. Para 94 has been revised to include on reasons for indirect emission reductions:

94. In addition, indirect GEBs facilitated through the cleantech ecosystem strengthening are also expected. In particular, indirect GHG emission reductions could result from a broader impact of the outcomes of GCIP including: strengthened capacity of institutions and human resources and improvements to the policy and regulatory framework which support commercialization and uptake of cleantech solutions at large; investments mobilized for cleantech solutions at large due to reduced risk perceptions; as well as longer-term emission reductions from behavioral change. Broader adoption of GCIP impact can take place through several processes including sustaining, mainstreaming, replication, scaling-up and market change [29]. An estimated factor of 5 is chosen to provide a projection for indirect GEBs. Where possible, efforts will be made to verify the indirect GHG emission reductions achieved through terminal evaluations.

3. A note has been added to Para 95 to make it more explicit on conservativeness:

95. Employing the above described GCIP methodology, as the project will support 125 enterprises through five cycles of the accelerator (approx. 25 semi-finalists per cycle x 5 cycles = 125 enterprises), the target range of GHG emissions avoided is as below. Please note that the lower range has been used as input to the GEF corporate core GHG indicator target (indicator 6) as a conservative estimation.

7. Is there potential for innovation, sustainability and scaling up in this project?

Secretariat Comment at PIF/Work Program Inclusion

10/05/ 2020: This item is cleared.

Innovation is clearly one of the key focus on the project, and its potential is described throughout the PIF.

The potential for sustainability and scale up are also well outlined in the relevant sections. however, the section on sustainability could make more direct reference to the long lasting potential impacts coming from a strengthened policy framework, and not only from an increased capacity of relevant public sector agencies.

Agency Response

Reflecting this guidance, para 104 is revised as below, and former para 104 is merged into para 105:

104. The ecosystem approach of this project also ensures sustainability of the project interventions. Component 2 focuses on strengthening the cleantech ecosystem of Senegal through developing suitable national policies and regulations that create an enabling business environment for cleantech innovation and commercialization. The policy framework that is built and strengthened through the project is expected to have long-lasting impact on Senegal's enabling environment to develop and disseminate cleantech solutions and their uptake in the market. To increase the likelihood of the project's activities leading to policy adoption, robust stakeholder mapping will be conducted to ensure that all key actors are engaged in the policy dialogues. Further, the iterative consultation processes and policy dialogues facilitated through the project will raise awareness and deepen understanding of institutions and individual experts that will have long-term impact on Senegal's cleantech ecosystem.

105. The project will closely work with the proposed project executing entity and associated agencies to strengthen its institutional capacity in order to effectively absorb the knowledge and technical capacity. In particular, strengthening the capacity within the PEE to conduct the national accelerator with public and private funding post project closure will ensure sustainability of the project's impacts, as shown through previous GCIP partner countries. Sustainability and exit strategies will be provided by GCIP as a template and guideline, which will then be reviewed and adapted for Senegal. The sustainability of the project is reinforced by the following:

- During and post the Senegal Accelerator the cleantech SMEs will be guided through the development process of the concepts to ensure that their innovative concepts are sustainable and will have a real impact on the Senegalese market. To ensure that this intensive mentoring approach is sustained beyond the project implementation period, the project will conduct capacity building activities for the national counterpart institutions, mentors and judges in the country;
- Through investment facilitation, cleantech SMEs will be able to mobilize funding and investments from angels, impact investors and other sources of finance thereby bringing their businesses into full sustainability;
- By generating and using methodologies, guidelines, tools and training materials for competition-based accelerators, the project will ensure that institutions and industry associations engaged in running the accelerators will have adequate resource materials to use in running such accelerators beyond the life of the programme;
- By linking cleantech innovation ecosystems across countries, the project will create a business environment and incentives for cleantech

• By linking cleantech innovation ecosystems across countries, the project will create a business environment and incentives for cleantech SMEs, policy makers, and industry associations to work across countries. This will be sustained through these stakeholders investing their own resources in these activities beyond the life of the programme;

- Through the establishment of a web platform, where cleantech SMEs alumni and stakeholders will continue to update and use as a market place where global technology innovation ecosystem players will continue to post innovations, investors will continue to scout for new innovations, policy makers and regulators will continue to use to learn about policy and regulatory innovations. In fact, the web platform, will catalyze continued connectivity of innovation ecosystems from different countries;
- The management of knowledge generated from the project in terms of fact sheets, guidebooks, tools and reports on accelerating cleantech innovation. This will ensure that stakeholders will be provided with continuous access to these tools and apply them to sustain the GCIP approach;
- Strengthening national institutional capacity to ensure that the skills and experience are there to sustain the cleantech innovation platforms and run the accelerators beyond the GEF funding;
- Supporting the maintenance of standards in terms of GCIP processes and practices so as to ensure adherence to the highest quality of norms. Such norms will guarantee that the GCIP will transform to a recognized brand, securing long-term sustainability.
- Development of long-term partnerships with the private sector which will form part of national exit strategy and guarantee continued funding of the programme.

Project/Program Map and Coordinates

Is there a preliminary geo-reference to the project's/program's intended location?

Secretariat Comment at PIF/Work Program Inclusion

10/05/ 2020: This item is cleared.

Since the project is not site-specific, a map of the entire country of Senegal is included.

Agency Response

Stakeholders

Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?

Secretariat Comment at PIF/Work Program Inclusion

10/22/20: PPO comment cleared.

10/22/20: additional comments from PPO:

The Agency should provide a description of the stakeholder consultations that took place with civil society organizations and private sector entities, as indicated in the Stakeholders section (#2). Please note that the GEF Policy on Stakeholder Engagement (Nov 2017) requires that at PIF stage 'Agencies provide a description of any consultations conducted during project development...'. In addition, please include the "means of engagement" for stakeholders in the table with the future roles.

10/05/ 2020: This item is cleared.

A stakeholders' table is provided. The PIF also mentions that a "stakeholder engagement plan" will be developed during PPG stage. It is expected that such plan will include significant more details with respect to each stakeholder's roles and responsibilities vis a vis the project's activities and its governance structure.

Agency Response

23 Oct 2020

Paragraph 108 has been updated to reflect the comment; please refer to the relevant section for further details. In addition, a column on the means of engagement has been added to the stakeholder table.

5 Oct 2020

This guidance is noted and will be reflected during development of the stakeholder engagement plan during the PPG phase.

Gender Equality and Women's Empowerment

Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?

Secretariat Comment at PIF/Work Program Inclusion

10/05/ 2020: This item is cleared.

A section on gender equality is presented. It is encouraging to see that para 110 includes indication of a benchmark of women's participation from previous GCIP experiences (25%), and that the project intends to use that as baseline and to have a target of at least 35% for this specific project. The gender action plan should elaborate on possible ways to ensure achievement of such results.

Agency Response As part of the PPG phase, a gender analysis will be conducted, based on which a draft gender action plan for the project will be developed to ensure that all project activities are gender mainstreamed, and also to outline specific measures to undertake in order to achieve the target of at least 35% women beneficiaries.

Private Sector Engagement

Is the case made for private sector engagement consistent with the proposed approach?

Secretariat Comment at PIF/Work Program Inclusion

10/05/ 2020: This item is cleared.

The project has as main targeted area the development of the private sector, in particular of innovative cleantech SMEs. The section on private sector engagement summarizes well the overall scope of private sector engagement for this project.

Agency Response

Risks to Achieving Project Objectives

Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?

Secretariat Comment at PIF/Work Program Inclusion

10/16/2020: This item is cleared.

10/14/2020:

1. The GEF reviewer do not agree with the classification of the second risk listed in the risk table as "low". While the risk of "*involvement* by government/institutional partners" may be considered low, the risk of the project resulting in actual adoption of regulatory measures to improve the ecosystem is more significant. The project approach described in para 33, and the relative theory of change, includes policy/regulatory reforms. While the project will make all possible efforts to ensure long-lasting improvement of the regulatory ecosystem, the adoption of the relative policies, beyond the "recommendations" made by the project, is substantial. This should be noted as part of risk number two, to be considered at least "medium", or as separate risk ("risk of government adoption of policy recommendations" or similar), and particular attention should be paid during PPG to design activities in ways that can minimize this risk.

Please revise risk analysis accordingly.

All other edits are accepted.

10/05/ 2020:

1. the first three risk identified do not list any mitigation measure, only some considerations as to the level of risk assigned to that specific risk item. Please offer more details on the mitigation measures that are being selected, as necessary.

2. Climate risk: para 43 includes an important element which is missing here, by stating that targeted SMEs will receive support to assess risks from climate change on their businesses and to adopt appropriate mitigation strategies.

2. Climate risk: the climate risk screening and analysis provided in the PIF is not sufficient. In line with STAP guidance, please provide a clear description on the following points:

- a. A summary of the projected climate change impacts and scenario for Senegal, between 2020 and 2050. This does not require collection of new climate data, information from available climate data sources should be sufficient. In case of unavailability of climate data, the Agency can signal such limitations.
- b. A summary of the potential impacts specific to the prospective key sectors (energy and agriculture) and an assessment of the level of exposure of project activities to such impacts.
- c. A description of the risk mitigation measures specific to the actual risks identified for the project. Where a complete description of risk mitigation measures (at both SMEs and public institutions level) were not possible at PIF stage, this will have to be provided before CEO ER.
- d. As relevant, the Agency can include a statement that additional climate risk *analysis* will be conducted at PPG stage to complement the initial climate risk *screening* as provided in the PIF, in line with the key steps outlined by the GEF/STAP climate risk guidance.
- e. As reference, the Agency is encouraged to consult GEF project #10541, which includes a good assessment of climate risk.

COVID-19 Risk & Opportunities Analysis:

1. Please indicate whether -in the view of the Agency- there is a foreseen risk for the timeline of the project preparation (deadline to submit CER ER cannot be met). If so, please include in the risk section.
2. With regards to the second risk in the table, we note the proposed mitigation measure of conducting sessions of the accelerator remotely in case of no possibility to hold in-person meetings. The PIF seem to assume that remote meetings will be easily arranged as needed. Please elaborate on whether this is a reasonable expectation, given the general status of telecommunications and general connectivity issues in the public/SMEs.

Agency Response

15 Oct 2020

1. Second item of the risk table rating is revised as per this comment. Please see the relevant table.

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9 Oct 2020

1. Reflecting this comment, the risk analysis is modified. Please refer to the relevant table.
Please note that the risk previously titled "incentives and financial support system are insufficient" is removed from this table, as it relates to the COVID-19 situation, and now moved to the "COVID-19 risk analysis" table and newly described as "Some project counterparts, co-financiers and/or beneficiaries may not be able to fulfil expected roles in project execution/implementation".

2. Reflecting comment, information on climate risks is revised. Please refer to the relevant section of the table.

COVID-19 Risk & Opportunities Analysis

1. An additional risk is added to the table to reflect this comment, titled, "PPG work plan is not executed as per expected timelines due to the pandemic, leading to a delay with the CEO endorsement request".

2. Reflecting this comment, the corresponding risk reduction measure is modified in the table.

Coordination

**Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined?
Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?**

Secretariat Comment at PIF/Work Program Inclusion

10/14/2020: this item is cleared.

10/05/ 2020:

1. Considering the relevance and alignment of mission of KIC and IED as described in the baseline section (para 25 and 26), this section could include a description of how the project will coordinate with these national agencies, if a collaboration is envisaged.

Agency Response

1. Reflecting this guidance, para. 123 is revised as below:

123. The project will also seek to collaborate with the UNFCCC Climate Technology Centres Network (CTCN) and the Private Financing and Advisory Network (PFAN), which are UNIDO hosted initiatives with expertise in supporting the technology innovation value chain. Innovation, Environment et Development (IED) and Kosmos Innovation Center (KIC) are national initiatives with similar mandates as this project, and collaboration with such initiatives are expected to create synergies in supporting cleantech enterprises as well as in cleantech ecosystem

strengthening. During the PPG phase, IED and KIC will be consulted extensively to identify concrete areas of collaboration, and their expected roles and contribution to the project will be detailed in the stakeholder engagement plan. In addition, other similar national, regional and international initiatives active in Senegal will be further identified and cooperation envisaged.

Consistency with National Priorities

Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?

Secretariat Comment at PIF/Work Program Inclusion

10/05/ 2020: This item is cleared.

The PIF outlines the alignment of the project objectives with the national priorities as described in the country's key policy documents (NDCs, Plan Senegal Emergent - PSE, etc).

Agency Response

Knowledge Management

Is the proposed "knowledge management (KM) approach" in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project's/program's overall impact and sustainability?

Secretariat Comment at PIF/Work Program Inclusion

10/14/ 2020: This item is cleared.

10/05/ 2020:

The project includes a separate budget for knowledge management. The web platform will be a key product for this project, as it will act as a hub for cleantech entrepreneurship in the country and will ensure linkages with the global GCIP.

1. However, while the PIF includes some information on some of the points below, the KM section needs to be developed further, to ensure the key elements of a good KM approach are included and outlined. Please consider the following elements and include them in the KM section:

- an overview of existing lessons and best practice that inform the project concept;
- plans to learn from relevant projects, programs, initiatives & evaluations;
- processes to capture, assess and document info, lessons, best practice & expertise generated during implementation?
- tools and methods for knowledge exchange, learning & collaboration, including knowledge platforms and websites?
- knowledge outputs to be produced and shared with stakeholders
- a discussion on how knowledge and learning will contribute to overall project/program impact and sustainability
- plans for strategic communications?

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Agency Response

1. Reflecting this guidance, para. 134 is revised as below:

134. The project will also benefit from and contribute to the GCIP-wide knowledge management efforts. Under component 3 of GEF programme 10408, a “GCIP knowledge management, communication and advocacy strategy” will be developed and provided to this project as a tool. As mentioned in para. 69 (output 3.1.2 of this project), the PEE will review and adapt the GCIP strategy for operationalization in Senegal as appropriate, and ensuring that the following key elements of knowledge management are addressed:

- overview of existing lessons and best practice that inform the project design and activities;
- plans to learn from relevant projects, programs, initiatives & evaluations;
- processes to capture, assess and document info, lessons, best practice & expertise generated during project execution/implementation;
- tools and methods for knowledge exchange, learning & collaboration, including knowledge platforms and websites;
- knowledge products to be published and shared with stakeholders;
- how knowledge and learning will contribute to overall project/program impact and sustainability;
- thought leadership strategy for cleantech enterprise development and investing (publication of opinion pieces, policy briefs etc.);
- content strategy for social media platforms to raise visibility of the project’s impacts and knowledge projects.

In addition, Project counterparts and beneficiaries as well as key stakeholders of Senegal will be invited to benefit from all GCIP-wide knowledge management and exchange activities and initiatives. Through GCIP-wide trainings, workshops, roundtables and knowledge products, each partner country will have opportunities to learn and share lessons and benchmarks, and also expand their outreach circle.

Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at PIF/Work Program Inclusion

10/05/ 2020: This item is cleared.

The Agency has submitted the ESS screening, which resulted in a project categorization of "B".

As a consequence, the Agency policy requires that an Environmental and Social Management Plan (ESMP) be developed before project inception and be submitted to GEFSEC before CEO ER.

Agency Response

art III – Country Endorsements

Has the project/program been endorsed by the country's GEF Operational Focal Point and has the name and position been checked against the GEF data base?

Secretariat Comment at PIF/Work Program Inclusion

10/05/ 2020: This item is cleared.

Yes, the OFP has submitted a valid LOE.

Agency Response

Termsheet, reflow table and agency capacity in NGI Projects

Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat Comment at PIF/Work Program Inclusion

N/A

Agency Response

EFSEC DECISION

RECOMMENDATION

Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?

Secretariat Comment at PIF/Work Program Inclusion

10/22/2020:

Additional comments from PPO were shared with the agency: Agency is requested to address them and resubmit. .

10/14/2020:

The Agency is requested to address the remaining comment on the risk section of this review sheet and resubmit.

10/05/ 2020:

The Agency is requested to address the comments in this review sheet and resubmit.

ADDITIONAL COMMENTS

Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.

Secretariat Comment at PIF/Work Program Inclusion

Review Dates

	PIF Review	Agency Response
First Review	10/5/2020	
Additional Review (as necessary)	10/14/2020	
Additional Review (as necessary)	10/16/2020	
Additional Review (as necessary)	10/22/2020	
Additional Review (as necessary)	10/23/2020	

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval

Senegal is experiencing rapid economic growth, amongst the highest in Africa with a 6% annual growth between 2014 and 2018. As a consequence, emissions of greenhouse gases are also increasing. SMEs are the key driver of such economic growth, making up for 90% of

consequence, emissions of greenhouse gases are also increasing. SMEs are the key driver of such economic growth, making up for 90% of local businesses. Innovative SMEs can also contribute to reducing harmful emissions and other environmental impacts. However, especially in the clean technology sector, SME still face barriers including limited technical and business capacity, a weak and disjointed clean

technology innovation ecosystem and policy framework and limited access to finance for incubation, acceleration and scaling up. This project seek to support Senegal to strengthen and connect the cleantech entrepreneurship ecosystem by: identifying and nurturing early-stage cleantech innovations into fast-growing, scalable and investable enterprises; strengthening the capacities of national institutions and other ecosystem players and connecting them; and supporting national policy makers to strengthen the policy framework to support cleantech SMEs. In addition, through connecting with the GEF-funded Global Cleantech Innovation Program (GCIP), the project will enable Senegalese cleantech SMEs to connect with cleantech ecosystem actors, financiers and markets both regionally in the context of ECOWAS and globally. The Project is expected to result in 225,000 tons of CO₂e in direct emission reductions and to produce additional indirect reductions estimated at 1.12 million tCO₂e over 10 years.